



COMPACT GOAL

This \$262 million compact with the Government of Moldova aims to reduce poverty and accelerate economic growth by focusing on enabling improved agricultural productivity and expanding access to markets and services through critical infrastructure investments in the irrigation and road sectors, and capacity building in the high value agriculture sector.

COMPACT AT A GLANCE

Compact Signing Date	January 22, 2010
Entry Into Force	September 1, 2010
Compact End Date	September 2015
Estimated Program Beneficiaries	427,242
Est. Increase in Household Income	\$260 Million
Compact Total	\$262 Million
Amount Committed	\$0 (0%)
Amount Disbursed	\$0 (0%)

% OF TOTAL COMPACT

39%	Transition to High Value Agriculture	\$101.8
51%	Road Rehabilitation Project	\$132.8
1%	Monitoring & Evaluation	\$3.6
9%	Compact Administration	\$23.8

COST (MILLIONS USD)



■ Project Preparation ■ Project Implementation

Transition to High Value Agriculture	PROJECT COST \$101.8 million	TOTAL CONTRACT COMMITMENTS \$0 million	TOTAL PROJECT DISBURSEMENTS \$0 million				
<p>The Project will repair up to 11 irrigation systems servicing 15,500 hectares, providing water for high value agriculture (HVA) and higher yielding grains. Technical assistance and capacity building will support the establishment of water user associations (WUA) able to conduct operations and management (O&M) of the rehabilitated systems; enable the legal transfer of O&M responsibilities to WUAs; improve water resource management; and ensure the legal and institutional framework needed for irrigation sector sustainability and further future investments.</p> <hr/> <p>Projected Long-term Results*</p> <table><tr><td>ESTIMATED BENEFICIARIES</td><td>ESTIMATED INCREASE IN HOUSEHOLD INCOME</td></tr><tr><td>124,000</td><td>\$123 million</td></tr></table> <p>* Up to 20 years</p>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	124,000	\$123 million	<p>PROJECTED RESULTS BY END OF COMPACT</p> <p>The project will produce an estimated economic rate of return of approximately 12.7 percent, and increase the incomes of approximately 32,000 households, with an average total benefit over 20 years equal to 170 percent of the beneficiaries' current annual income.</p>	<p>PROGRESS TO DATE</p> <p>N/A (No ground work yet)</p>	<p>PROJECT ACHIEVEMENTS</p> <p>MCC and USAID have collaborated in an unprecedented way to design and implement the market access and technical assistance and capacity building component of the project.</p> <p>The MCC's involvement in the design of the project has catalyzed the Government of Moldova to amend a water law and pass a new water users association law, which should encourage long-term investment and thus sustainability in the irrigated agriculture sector.</p>
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME						
124,000	\$123 million						

Road Rehabilitation	PROJECT COST \$132.8 million	TOTAL CONTRACT COMMITMENTS \$0 million	TOTAL PROJECT DISBURSEMENTS \$0 million
<p>The Project will rehabilitate 93 kilometers of the M2 and R9 roads between Sarateni to a major junction north of the city of Soroca. This highway is a link between Moldova and Ukraine for private, passenger, and commercial travel, and a significant link for internal commerce and trade.</p>	<p>PROJECTED RESULTS BY END OF COMPACT</p> <p>The economic rate of return on the rehabilitated road is approximately 19 percent.</p> <p>Cost and time to transport goods and services will be reduced, as well as losses to the national economy resulting from deteriorated road conditions.</p>	<p>PROGRESS TO DATE</p> <p>MCC’s work with other international donors has helped promote the amendment of a law that provides dedicated sources of funding for road maintenance. The new Road Fund Law encourages long term investment in road maintenance and thus sustainability in the road transportation sector.</p> <p>MCC’s involvement with international road safety organizations leveraged funds from multiple donors to provide the first road safety assessment performed on over 3,000 kilometers of Moldovan roads, including those for which feasibility studies were funded by MCC.</p>	<p>PROJECT ACHIEVEMENTS</p> <p>N/A (No ground work yet)</p>
<div><div><div>ESTIMATED BENEFICIARIES</div><div>302,000</div></div><div><div>ESTIMATED INCREASE IN HOUSEHOLD INCOME</div><div>\$137 million</div><div>* Up to 20 years</div></div></div>			

These estimates are based on the best, currently available information and may be updated if new and reliable data become available.

MCC defines beneficiaries as all members of a household who stand to see an increase in its income. Beneficiaries are counted only once in the total beneficiary count even if they benefit from more than one project, so the total beneficiary count may be different than the sum of the different project beneficiary counts. MCC estimates and reports expected beneficiaries when sufficiently reliable data exists to support the estimation. If such evidence is lacking, no estimation is attempted.

Total benefits expected from a project are obtained from the ERR analysis MCC conducts during due diligence. Beneficiary counts, although consistent with benefit streams identified in the economic analysis, are not necessarily derived from these models. Calculating the amount of benefit per beneficiary is therefore not appropriate and can be misleading.

Project Preparation: For Infrastructure projects this includes assessments and feasibility, detailed project planning and design, and competitive procurement. For other projects, this includes training, collecting baseline data, public outreach, selecting beneficiaries or target area and revising project methodology accordingly, procurement, contracting of project managers, and project pilots.